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Hugh Anderson

THE
BANK
OF
NOVA
SCOTIA



ANNUAL
STATEMENT
1970

REPORT TO SHAREHOLDERS

We present herewith a Statement of Revenue and Expenses for the six months ended April 30, 1970 with comparative figures for the like period in the preceding year. Our income and expenditures are affected by changes in economic and monetary conditions as well as seasonal variations and we would, therefore, emphasize that the figures for interim periods during a fiscal year are not fully indicative of the results and the trend of earnings for a complete year.

F. WILLIAM NICKS,
Chairman and Chief
Executive Officer.

STATEMENT OF REVENUE AND EXPENSES FOR THE SIX MONTHS ENDED APRIL 30TH

(unaudited)

	1970	1969
Revenue		
Income from loans	\$211,393,017	\$155,925,523
Income from securities	25,646,133	21,342,847
Other operating revenue	19,358,761	18,639,465
Total revenue	<u>\$256,397,911</u>	<u>\$195,907,835</u>
Expenses		
Interest on deposits and bank debentures	\$159,428,141	\$107,170,354
Salaries, pension contributions and other staff benefits	41,978,675	35,753,537
Property expenses, including depreciation	10,490,806	8,823,867
Other operating expenses, including provision for losses on loans based on estimated five-year average loss experience	13,892,909	12,918,915
Total expenses	<u>\$225,790,531</u>	<u>\$164,666,673</u>
Balance of revenue (Note 1)	\$ 30,607,380	\$ 31,241,162
Appropriation for losses (Note 2)	10,500,000	12,500,000
Balance of profits before income taxes	\$ 20,107,380	\$ 18,741,162
Provision for income taxes relating thereto	10,250,000	9,850,000
Balance of profits for the period	<u>\$ 9,857,380</u>	<u>\$ 8,891,162</u>
Dividends	<u>\$ 6,232,610</u>	<u>\$ 5,100,000</u>
Balance of profits per share for the period (Note 3)	60.4¢	59.3¢
Dividends per share for the period	38 ¢	34 ¢

NOTE 1: The statement of revenue and expenses and the accompanying statement of assets and liabilities include the results of operations of and the assets and liabilities of The Bank of Nova Scotia N.V., BNS International (United Kingdom) Limited and Scotia Nominees Ireland Limited, wholly owned subsidiaries.

NOTE 2: Final determination of amounts transferred as additions to Accumulated Appropriations for Losses is made at each fiscal year-end. Income taxes exigible on such transfers are chargeable to appropriations account.

NOTE 3: Based on the average number of shares outstanding (1970 - 16,323,000, 1969 - 15,000,000)

STATEMENT OF ASSETS

(unaudited)

ASSETS	April 30 1970	April 30 1969
<i>Cash Resources</i>		
Cash and due from banks	\$1,075,424,837	\$ 854,641,648
Cheques and other items in transit, net	148,075,520	152,445,576
	<u>\$1,223,500,357</u>	<u>\$1,007,087,224</u>
<i>Securities</i>		
Securities issued or guaranteed by Canada, at amortized value	\$ 535,613,229	\$ 516,424,908
Securities issued or guaranteed by provinces, at amortized value	35,306,549	37,214,188
Other securities, not exceeding market value	175,205,877	156,480,366
	<u>\$ 746,125,655</u>	<u>\$ 710,119,462</u>
<i>Loans</i>		
Day, call and short loans to investment dealers and brokers, secured	\$ 97,843,255	\$ 195,635,784
Other loans, including mortgages, less provision for losses . .	3,503,508,905	3,370,886,963
	<u>\$3,601,352,160</u>	<u>\$3,566,522,747</u>
Bank premises at cost, less amounts written off	\$ 53,028,875	\$ 46,904,927
Securities of and loans to corporations controlled by the bank .	46,247,065	34,395,435
Customers' liability under acceptances, guarantees and letters of credit, as per contra	178,507,911	117,567,575
Other assets	4,943,084	4,743,866
	<u><u>\$5,853,705,107</u></u>	<u><u>\$5,487,341,236</u></u>

AND LIABILITIES

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LIABILITIES	April 30 1970	April 30 1969
<i>Deposits</i>		
Deposits by Canada	\$ 53,624,463	\$ 69,100,195
Deposits by provinces	200,915,565	148,439,604
Deposits by banks	668,952,794	689,954,907
Personal savings deposits payable after notice, in Canada, in Canadian currency	1,878,301,877	1,713,308,854
Other deposits	2,556,276,230	2,473,714,330
	<u>\$5,358,070,929</u>	<u>\$5,094,517,890</u>
Acceptances, guarantees and letters of credit	\$ 178,507,911	\$ 117,567,575
Other liabilities	14,685,557	18,887,952
Accumulated appropriations for losses	85,575,593	79,760,646
<i>Capital Funds</i>		
Debentures issued and outstanding (7% October 15, 1987) .	15,000,000	15,000,000
 SHAREHOLDERS' EQUITY:		
CAPITAL STOCK—AUTHORIZED 25,000,000		
SHARES AT \$2 PER SHARE		
Capital paid up	\$ 33,508,648	30,000,000
Rest account	166,822,968	130,000,000
Undivided profits	<u>1,533,501</u>	<u>1,607,173</u>
	<u>201,865,117</u>	<u>161,607,173</u>
	<u>216,865,117</u>	<u>176,607,173</u>
	<u>\$5,853,705,107</u>	<u>\$5,487,341,236</u>

NOTE: Accumulated appropriations for losses and undivided profits are the balances as at the previous fiscal year end. To conform with the statements of Assets and Liabilities filed with the Minister of Finance each month, the relative amounts for the year to date have been applied as reductions in loans and securities in the above statement.

AR50

THE BANK OF NOVA SCOTIA

850 branches and representative offices
in Canada, United Kingdom, Republic
of Ireland, Continental Europe, Middle
East, Far East, United States, Caribbean
Area, Mexico, Central and South
America.

Subsidiary and affiliated companies:

The Bank of Nova Scotia Jamaica Limited
Operating 41 branches in Jamaica.

The West India Company of Merchant
Bankers Limited, Kingston, Jamaica.

Bermuda National Bank Limited.

Trust Company facilities available in:

Bahamas • Jamaica • Trinidad • Cayman
Islands • Barbados • British Virgin Islands
• Bermuda • New York • London



THE *file*
BANK
OF
NOVA
SCOTIA



SIX MONTH
STATEMENT
APRIL 30, 1970

Executive Offices

44 KING ST, WEST, TORONTO, CANADA

THE BANK OF NOVA SCOTIA

Founded in 1832

139TH ANNUAL STATEMENT OCTOBER 31 1970

The Annual General Meeting of
Shareholders will be held in the
Banking House, Hollis & Prince Streets,
Halifax, N.S., on Wednesday,
January 13, 1971, at eleven o'clock a.m.,
for the purpose of receiving
a statement of affairs of
the Bank, for the election of
Directors and for other business.

THE BANK OF NOVA SCOTIA

ANNUAL STATEMENT HIGHLIGHTS

	October 31, 1970	October 31, 1969
TOTAL ASSETS	\$6,369,464,601	\$5,944,172,650
DEPOSITS	\$5,864,008,862	\$5,495,213,649
LOANS	\$3,956,153,950	\$3,811,753,035
ACCUMULATED APPROPRIATIONS FOR LOSSES	\$89,572,659	\$85,575,593
DEBENTURES	\$15,000,000	\$15,000,000
SHAREHOLDERS' FUNDS	\$211,083,784	\$168,533,501
BALANCE OF REVENUE	\$61,888,657	\$60,026,328
BALANCE OF PROFITS FOR THE YEAR	\$19,888,657	\$17,726,328
BALANCE OF PROFITS PER SHARE*	\$1.20	\$1.18
DIVIDENDS PAID PER SHARE	\$.78	\$.72
NUMBER OF SHARES OUTSTANDING**	16,573,892	15,000,000
SHAREHOLDERS	19,412	17,178
STAFF	13,948	13,388
OFFICES	871	833

*Based on average shares outstanding

**Average number of shares outstanding

BOARD OF DIRECTORS

F. William Nicks, *Toronto*

Chairman of the Board and Chief Executive Officer

Thomas A. Boyles, *Toronto*

*Deputy Chairman of the Board, Executive Vice-President and
Chairman of the Executive Committee of the Board*

John S. Proctor, *Toronto*

Deputy Chairman of the Board and Executive Vice-President

Arthur H. Crockett, *Toronto*

President

William C. Harris, *Toronto*

*Vice-President, The Bank of Nova Scotia,
Chairman, Harris & Partners Limited*

Donald McInnes, Q.C., LL.D., D.C.L., *Halifax*

*Vice-President, The Bank of Nova Scotia,
Senior Partner, McInnes, Cooper and Robertson*

The Honourable John B. Aird, Q.C., *Toronto*
Partner, Edison, Aird & Berlis

Lewis H. M. Ayre, *St. John's, Newfoundland*
Chairman and President, Ayre & Sons, Limited

Albert T. Baker, *Calgary*
President, Glenbow-Alberta Institute

G. Maxwell Bell, *Calgary*
Chairman, F. P. Publications Limited

John R. Bradfield, LL.D., *Toronto*
Chairman, Noranda Mines Limited

E. Delwin Brockett, *Pittsburgh, U.S.A.*
Chairman and Chief Executive Officer, Gulf Oil Corporation

W. Herman Browne, *Toronto*
Chairman of the Board, Moore Corporation, Limited

E. Jacques Courtois, Q.C., *Montreal*
Partner, Smith, Anglin, Laing, Weldon & Courtois

The Honourable Salter A. Hayden, Q.C., LL.D., *Toronto*
Senior Partner, McCarthy & McCarthy

The Right Hon. Earl of Iveagh, *Dublin, Republic of Ireland*
Chairman, Arthur Guinness Son & Company Limited

Henry R. Jackman, Q.C., *Toronto*
Honorary Chairman, The Empire Life Insurance Company

John J. Jodrey, *Hantsport, N.S.*
President, Minas Basin Pulp and Power Company Limited

Sir Denys Lowson, Bt., *London, England*
Chairman, Algoma Central Railway

A. Barnet Maclaren, *Ottawa*
Chairman of the Board, Maclaren Power & Paper Company

Jerry McAfee, *Toronto*
President and Chief Executive Officer, Gulf Oil Canada Limited

John L. McCarthy, *Toronto*
Vice-President, The Canada Life Assurance Company

Cyrus H. McLean, *Vancouver*
Chairman, British Columbia Telephone Company

Sir Brian Mountain, Bt., *London, England*
Chairman, Eagle Star Insurance Company Ltd.

The Honourable J. Leonard O'Brien, LL.D., D.C.L., PH.D., *Nelson-Miramichi, N.B.*

W. Harold Rea, LL.D., F.C.A., *Toronto*
Chairman of the Board, Great Canadian Oil Sands Limited

William H. C. Schwartz, *Halifax*
Chairman of the Board, W. H. Schwartz & Sons Ltd.

Frank H. Sherman, *Hamilton*
President and Chief Executive Officer, Dominion Foundries and Steel, Limited

C. Gordon Smith, LL.D., *Winnipeg*
President, Oldgard Limited

F. Foster Todd, *Toronto*
Executive Vice President, The International Nickel Company of Canada, Limited

Donald G. Willmot, *Toronto*
President and Chief Executive Officer, Molson Industries Limited

Charles N. Wilson, *Saint John, N.B.*
President, The Standard Dredging Co. Limited

HONORARY DIRECTORS

Honorary Directors do not attend Meetings of the Board, nor receive remuneration.

Ralph P. Bell, O.B.E., D.C.L., *Halifax*
President, Pickard Investments Limited

Robert L. Dales, *Toronto*
Former Deputy Chairman of the Board and Executive Vice-President, The Bank of Nova Scotia

Albert S. Fraser, *Montreal*
President and Managing Director, Investment Foundation Limited

Colonel John D. Fraser, V.D., C.D., *Pembroke, Ontario*
Vice-President, Snelling Paper Sales Limited

C. Sydney Frost, M.C., LL.D., D.C.L., *Toronto*
Former President and Chief Executive Officer, The Bank of Nova Scotia

Roy A. Jodrey, D.C.L., *Hantsport, N.S.*
Chairman of the Board, Minas Basin Pulp and Power Company Limited

The Honourable Norman A. M. MacKenzie, C.C., C.M.G., M.M. AND BAR, C.D., Q.C., LL.D., *Vancouver*
President Emeritus and Honorary Professor of International Law The University of British Columbia

W. Norman McLeod, D.LITT.S., *Toronto*
Director, Moore Corporation, Limited

EXECUTIVE OFFICERS TORONTO

Chairman of the Board and Chief Executive Officer

F. William Nicks

Deputy Chairmen of the Board and Executive Vice-Presidents

Thomas A. Boyles

John S. Proctor

President

Arthur H. Crockett

Chief General Manager

Cedric E. Ritchie

Deputy Chief General Managers

J. A. G. Bell

G. C. Hitchman

C. W. Jameson

R. M. MacIntosh

W. S. McDonald

The Bank of Nova Scotia

STATEMENT OF ASSETS AND LIABILITIES

as at October 31

ASSETS	1970	1969
<i>Cash Resources</i>		
Cash and due from banks	\$1,188,794,897	\$1,012,634,595
Cheques and other items in transit, net	81,565,494	139,044,853
	<u>1,270,360,391</u>	<u>1,151,679,448</u>
<i>Securities</i>		
Securities issued or guaranteed by Canada, at amortized value	620,634,578	535,485,970
Securities issued or guaranteed by provinces, at amortized value	39,496,688	35,904,480
Other securities, not exceeding market value	188,610,016	160,726,438
	<u>848,741,282</u>	<u>732,116,888</u>
<i>Loans</i>		
Day, call and short loans to investment dealers and brokers, secured	251,213,991	336,998,234
Other loans, including mortgages, less provision for losses	3,704,939,959	3,474,754,801
	<u>3,956,153,950</u>	<u>3,811,753,035</u>
Bank premises at cost, less amounts written off	56,142,631	50,764,629
Securities of and loans to corporations controlled by the bank	46,417,600	40,633,866
Customers' liability under acceptances, guarantees and letters of credit, as per contra	183,882,208	152,843,149
Other assets	7,766,539	4,381,635
	<u>\$6,369,464,601</u>	<u>\$5,944,172,650</u>

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE BANK OF NOVA SCOTIA

We have examined the statement of assets and liabilities of The Bank of Nova Scotia as at October 31, 1970, and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

LIABILITIES	1970	1969
<i>Deposits</i>		
Deposits by Canada	\$ 32,095,383	\$ 44,367,726
Deposits by provinces	158,248,621	123,737,616
Deposits by banks	989,684,178	815,077,917
Personal savings deposits payable after notice, in Canada, in Canadian currency	1,995,994,093	1,817,432,348
Other deposits	2,687,986,587	2,694,598,042
	<u>5,864,008,862</u>	<u>5,495,213,649</u>
Acceptances, guarantees and letters of credit	183,882,208	152,843,149
Other liabilities	5,917,088	27,006,758
Accumulated appropriations for losses	89,572,659	85,575,593
<i>Capital Funds</i>		
Debentures issued and outstanding (7% October 15, 1987)	15,000,000	15,000,000
SHAREHOLDERS' EQUITY:		
CAPITAL STOCK—AUTHORIZED 25,000,000		
SHARES AT \$2 PER SHARE		
Capital paid up \$ 33,750,000		30,000,000
Rest account 175,875,000		137,000,000
Undivided profits <u>1,458,784</u>		<u>1,533,501</u>
	<u>211,083,784</u>	<u>168,533,501</u>
	<u>226,083,784</u>	<u>183,533,501</u>
	<u>\$6,369,464,601</u>	<u>\$5,944,172,650</u>

F. WILLIAM NICKS
Chairman and Chief Executive Officer

CEDRIC E. RITCHIE
Chief General Manager

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1970, and the revenue, expenses and undivided profits, accumulated appropriations for losses and transactions in the rest account of the Bank for the year ended on that date.

T. A. M. HUTCHISON, F.C.A.,
of Peat, Marwick, Mitchell & Co.
D. L. GORDON, F.C.A.,
of Clarkson, Gordon & Co. } Auditors

Toronto, Canada,
November 20, 1970.

The Bank of Nova Scotia

STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS

for the financial year ended October 31

	1970	1969
<i>Revenue</i>		
Income from loans	\$427,908,554	\$355,220,974
Income from securities	54,478,837	45,506,931
Other operating revenue	38,558,704	38,623,436
Total revenue	<u>520,946,095</u>	<u>439,351,341</u>
<i>Expenses</i>		
Interest on deposits and bank debentures	320,477,713	255,918,330
Salaries, pension contributions and other staff benefits	86,445,362	75,646,416
Property expenses, including depreciation	21,961,873	18,807,165
Other operating expenses, including provision for losses on loans based on five-year average loss experience	30,172,490	28,953,102
Total expenses	<u>459,057,438</u>	<u>379,325,013</u>
Balance of revenue	61,888,657	60,026,328
Appropriation for losses	21,000,000	25,000,000
Balance of profits before income taxes	40,888,657	35,026,328
Provision for income taxes relating thereto	21,000,000	17,300,000
Balance of profits for the year	19,888,657	17,726,328
Dividends	12,963,374	10,800,000
Amount carried forward	6,925,283	6,926,328
Undivided profits at beginning of year	1,533,501	1,607,173
	8,458,784	8,533,501
Transferred to rest account	7,000,000	7,000,000
Undivided profits at end of year	<u>\$ 1,458,784</u>	<u>\$ 1,533,501</u>

The Bank of Nova Scotia

STATEMENT OF REST ACCOUNT

for the financial year ended October 31

	1970	1969
Balance at beginning of year	\$137,000,000	\$130,000,000
Premium on new shares offered December 15, 1969	31,875,000	—
Transferred from undivided profits	7,000,000	7,000,000
Balance at end of year	<u>\$175,875,000</u>	<u>\$137,000,000</u>

F. WILLIAM NICKS
Chairman and Chief Executive Officer

CEDRIC E. RITCHIE
Chief General Manager

The Bank of Nova Scotia

STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES

for the financial year ended October 31

(Deductions in brackets)

	1970	1969
Accumulated appropriations at beginning of year:		
General	\$ 67,587,749	\$ 73,180,963
Tax paid	17,987,844	6,579,683
Total	85,575,593	79,760,646
Appropriation from current year's operations	21,000,000	25,000,000
Loss experience on loans less provision included in other operating expenses	(1,086,746)	1,832,125
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(5,506,772)	(7,883,981)
Other profits, losses and non-recurring items, net	1,490,584	66,803
	101,472,659	98,775,593
Provision for income taxes	(11,900,000)	(13,200,000)
Accumulated appropriations at end of year:		
General	66,247,062	67,587,749
Tax paid	23,325,597	17,987,844
Total	\$ 89,572,659	\$ 85,575,593

NOTES TO THE FINANCIAL STATEMENTS

(1) The financial statements include the assets and liabilities and results of operations of Scotia Nominees Ireland Limited, The Bank of Nova Scotia N.V., BNS International N.V., and BNS International (United Kingdom) Limited, wholly-owned subsidiaries.

(2) In addition to the income tax provision of \$21,000,000 shown in the Statement of Revenue and Expenses, income taxes of \$11,900,000 are exigible on the transfer of \$21,000,000 from earnings to Accumulated Appropriations for Losses, resulting in a total provision for income taxes of \$32,900,000.

F. WILLIAM NICKS
Chairman and Chief Executive Officer

CEDRIC E. RITCHIE
Chief General Manager

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Jamaica Limited

Statement of Assets and Liabilities as at October 31, 1970
Balances expressed in Jamaican dollars
(Canadian equivalent \$1.22)

ASSETS

Cash, money at call and deposits with the Bank of Jamaica	J\$ 11,198,525
Cheques and other instruments in the course of collection	15,119,442
Amounts due by other banks	2,775,119
Government of Jamaica securities	14,467,715
Investment in The West India Company of Merchant Bankers Limited . .	100,000
Loans, less provision for losses	108,380,882
Customers' liability under acceptances, guarantees and letters of credit as per contra	6,457,611
Bank premises at cost, less depreciation	4,654,923
Other assets	658,890
	<u>J\$163,813,107</u>

LIABILITIES

Deposits	J\$124,054,606
Amounts due to other banks	16,286,657
Cheques and other instruments in the course of payment	8,074,741
Acceptances, guarantees and letters of credit	6,457,611
Proposed dividend	343,750
Other liabilities	730,346
Capital and Surplus:	
Capital stock—authorized and issued 5,500,000 shares of a par value of J\$1 each	J\$5,500,000
General reserve	2,000,000
Unappropriated profits	365,396
	<u>J\$163,813,107</u>

NOTE: The Bank of Nova Scotia Jamaica Limited was incorporated in December, 1966, and on January 14, 1967, it acquired the Jamaican banking business and undertakings of The Bank of Nova Scotia, the consideration being J\$5,000,000 of capital stock of the Jamaican company. In 1969, J\$500,000 of unappropriated profits were capitalized and applied in paying up 500,000 bonus shares issued to shareholders, raising the total capitalization to J\$5,500,000. In 1967, The Bank of Nova Scotia sold 1,250,000 of its shares to the public and this year a further 275,000 shares were sold publicly. The balance of The Bank of Nova Scotia's interest, being 70% of the capital stock of the company, is carried on the books of The Bank of Nova Scotia at the amount of Canadian \$5,725,285.
The amounts due to other banks include J\$10,283,809 due to The Bank of Nova Scotia.

Controlled Corporations
of the Bank of Nova Scotia

The West India Company of Merchant Bankers Limited

Statement of Assets and Liabilities as at October 31, 1970
Balances expressed in Jamaican dollars
(Canadian equivalent \$1.22)

ASSETS	
Cash and amounts due by other banks	J\$ 5,698
Fixed term deposit with The Bank of Nova Scotia Jamaica Limited	280,000
Customers' liability under guarantees, as per contra	200,000
Furniture, fixtures, and equipment at cost, less depreciation	10,143
Other assets	4,749
	<u>J\$500,590</u>
LIABILITIES	
Guarantees outstanding	J\$200,000
Other liabilities	400
Capital and Surplus:	
Capital stock—authorized and issued 300,000 shares of a par value of J\$1	J\$300,000
Unappropriated profits	190
	<u>300,190</u>
	<u>J\$500,590</u>

NOTE: The West India Company of Merchant Bankers Limited was incorporated in February, 1970. The capital stock is two-thirds owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$257,685. The Bank of Nova Scotia Jamaica Limited owns the remaining shares.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company (Bahamas) Limited
and its wholly owned subsidiaries

The Bank of Nova Scotia Trust Company of Jamaica Limited

The Bank of Nova Scotia Trust Company of the West Indies Limited

The Bank of Nova Scotia Trust Company (Cayman) Limited

The Bank of Nova Scotia Trust Company (Caribbean) Limited

Consolidated Statement of Assets and Liabilities as at December 31, 1969

Balances expressed in Bahamas dollars

(Canadian equivalent \$1.02)

ASSETS

Cash in bank	B\$31,326,950
United Kingdom Government securities at amortized value, plus accrued interest	1,290,375
Canadian Government securities at amortized value, plus accrued interest	357,878
Barbados Government and Jamaican Government securities at amortized value, plus accrued interest	308,552
Other investments at the lower of cost or estimated realizable value	167,091
Loans and discounts	12,695,295
Customers' liability under guarantees and other obligations, as per contra	188,936
Furniture, fixtures and equipment at cost, less depreciation	179,560
	<u><u>B\$46,514,637</u></u>

LIABILITIES

Deposits, trusts and other balances	B\$43,955,652
Guarantees and other obligations	188,936
Other liabilities	58,886
Capital and Surplus:	
Capital stock—authorized 3,000,000 shares at a par value of B\$1 each	
Issued 1,550,000 shares	B\$1,550,000
Earned surplus	<u>761,163</u>
	<u><u>2,311,163</u></u>
	<u><u>B\$46,514,637</u></u>

NOTE: The Bank of Nova Scotia Trust Company (Bahamas) Limited was incorporated in December, 1957, to provide a full range of personal and corporate trust services. Subsequent to December 31, 1969 the Company declared a stock dividend in the amount of 700,000 shares, increasing the paid up capital to B\$2,250,000. The capital stock is 60% owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$1,392,786 being the amount of the original investment plus stock dividends declared to October 31, 1970.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company of New York

Statement of Assets and Liabilities as at October 31, 1970

Balances expressed in United States dollars

(Canadian equivalent \$1.021)

ASSETS

Cash in bank	\$ 133,106
Investment bonds at amortized value, plus accrued interest	1,337,936
Loans and discounts, less provision for possible losses	930,926
Furniture, fixtures and equipment at cost, less depreciation	5,574
Other assets	723
	<u>\$ 2,408,265</u>

LIABILITIES

Deposits, trusts and other balances	\$ 305,287
Income taxes payable	16,007
Other liabilities	7,678
Capital and Surplus:	
Capital stock—authorized and issued 10,000 shares of a par value of \$100 each	\$ 1,000,000
Paid in surplus	1,000,000
Earned surplus	<u>79,293</u>
	2,079,293
	<u>\$ 2,408,265</u>

NOTE: The Company was incorporated in June, 1959, to provide fiduciary services for the Bank's clients. The capital stock, except for the Directors' qualifying shares, is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of U.S. \$1,984,000.

Controlled Corporations
of The Bank of Nova Scotia

The Bank of Nova Scotia Trust Company (United Kingdom) Limited

Statement of Assets and Liabilities as at October 31, 1970

Balances expressed in Pounds sterling

(Canadian equivalent \$2.44)

ASSETS	
Cash in Bank	£ 84,547
Loans	4,435,146
United Kingdom Government securities at cost	100,000
Other Assets	59,807
	<u>£ 4,679,500</u>
LIABILITIES	
Loan from The Bank of Nova Scotia	£ 4,435,146
Other liabilities	119,752
Capital and Surplus:	
Capital stock—authorized 250,000 shares of a par value of £1 each	
Issued 100,000 shares	£ 100,000
Earned surplus	<u>24,602</u>
	<u>124,602</u>
	<u>£ 4,679,500</u>

NOTE: The Company was incorporated in September, 1964, to provide fiduciary services for the Bank's clients. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian \$260,000.

Controlled Corporations
of The Bank of Nova Scotia

Empire Realty Company, Limited

Statement of Assets and Liabilities as at October 31, 1970

ASSETS

Current Assets

Cash in bank	\$ 521,209	
Accounts receivable	16,543	
Prepaid expenses	31,390	\$ 569,142

Fixed Assets

Land and buildings at cost	\$26,681,929	
Less accumulated depreciation	11,671,986	15,009,943
		<u>\$15,579,085</u>

LIABILITIES

Current Liabilities

Accrued liabilities and rentals paid in advance	\$ 4,281	
Serial bonds due November 1, 1970	500,000	
Bond interest due November 1, 1970	45,000	
Corporation taxes payable	1,496	\$ 550,777

Loan from The Bank of Nova Scotia 8,523,131

First Mortgage Serial 4½% Bonds

(maturing \$500,000 annually on Nov. 1, 1971-1973) . . . 1,500,000

Capital and Surplus

Capital stock—authorized and issued 50,000 shares of a par value of \$100 each	\$ 5,000,000	
Earned surplus	5,177	5,005,177
		<u>\$15,579,085</u>

NOTE: The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of \$5,000,000. The Bank also owns \$300,000 of the first mortgage bonds.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE BANK OF NOVA SCOTIA

We have examined the statements of assets and liabilities of the foregoing controlled corporations as of the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statements of assets and liabilities present fairly the financial positions of the corporations as at the dates indicated.

T. A. M. HUTCHISON, F.C.A.,
of Peat, Marwick, Mitchell & Co.
D. L. GORDON, F.C.A.,
of Clarkson, Gordon & Co.

} Auditors

Toronto, Canada,
November 20, 1970.

Scotia  BANK
THE BANK OF NOVA SCOTIA

AN INTERNATIONAL BANK FOUNDED IN 1892